

Kina holds first Annual General Meeting as a listed entity, confirms positive outlook

Kina Securities (ASX:KSL) held its inaugural annual general meeting as a publicly listed company in Port Moresby today.

Chairman Sir Rabbie Namaliu told shareholders that 2015 had been a period of great success and dramatic change for the Company.

He said the acquisition of the Maybank business in PNG in September, together with the Initial Public Offering and public listing of the company in July had fundamentally transformed Kina Securities.

The K350 million acquisition of the Maybank business had effectively doubled the size of the Company's banking business and created a dynamic force in the PNG banking sector. The float of Kina had introduced some 1500 investors to the Company, providing funding for the Maybank acquisition and providing a strong base for the future.

He said that despite some volatility in financial markets, and uncertainty regarding the PNG economy, Kina's main markets remained resilient.

"We remain confident in the medium term outlook for the PNG economy, and the growing maturity of the financial sector in the country. While commodity prices are low at the moment, they ultimately will recover and PNG remains well placed to benefit from development of a number of major projects in the coming decades, as well as the general urbanisation of the population over time

"The Board remains confident that Kina will deliver another solid performance in 2016, notwithstanding the various challenges confronting the PNG and global economies. We are continuing to work hard to grow our business, increasing our lending while maintaining a cautious approach to ensure that we maintain high standards of credit quality," he said.

Chief Executive Syd Yates said that following the Maybank acquisition and the IPO, Kina was well positioned to grow as a serious competitor in PNG's rapidly growing financial services sector and was equipped to play a central role in facilitating the development of PNG.

"We have a lot more to do, but we are now out of the starting blocks, we're picking up pace and gathering momentum," he said.

The Company delivered its first profit result as a listed entity in February, and was able to exceed the profit forecasts included in the prospectus lodged for the IPO. "We achieved a pro-forma net profit of PGK47.5 million for the full year to 31 December, 2015. This was 4.9% higher than the prospectus forecast of PGK45.3 million, and confirmed that the benefits of the Maybank acquisition were beginning to emerge," Mr Yates said.

"Despite the slowdown in the PNG economy, we see healthy demand for new lending, although settlements have been a little slower than we would like due to processing issues that we expect to see resolved in the next few weeks. New initiatives are being planned to grow deposits, funding costs are being reduced as expected, operating costs continue to be managed closely and we are not seeing any deterioration in credit quality or increases in bad debts," he said.

The Company also advises that Non-executive Directors, Don Manoa, Hilary Wong and Peter Ng retired at today's general meeting.

Sir Rabbie thanked the Directors, on behalf of the Company and the Board, for their service to the Group and valuable contribution to the growth and development. He went on to say that each Director had been integral to the success of Kina, particularly with regard to the transformational events in the last 12 months.

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